

1992-93	2.6	2.3
93-94	3.0	2.3
11/1/94	3.0	2.3

FACULTY SALARIES IN CALIFORNIA'S PUBLIC UNIVERSITIES, 1995-96



CALIFORNIA POSTSECONDARY EDUCATION COMMISSION

APRIL 1995

COMMISSION REPORT 95-4

Summary

Annually, in accordance with Senate Concurrent Resolution No. 51 of the 1965 General Legislative Session, the Commission submits to the Governor and the Legislature an analysis of faculty salaries at the California State University and the University of California for the forthcoming fiscal year.

The Commission's report for the 1995-96 fiscal year contains an analysis of information on faculty salaries submitted to the State University and the University by their respective groups of comparison institutions, and shows how this information is used to calculate parity percentages included in this report. The parity percentage is a projection of the salary lag between the faculty salaries at each system and the average faculty salaries at their respective comparison institutions in the budget year. The methodology used to calculate these salary lags uses weighted averages for both systems.

This year, the estimated faculty salary lag figures for the State University and the University are 12.7 and 10.4 percent, respectively. These parity deficiency figures are among the highest observed in the history of this reporting process. State budget constraints are likely to limit future faculty salary increases as well.

This report also provides a summary of national faculty salary information that can provide a context for policy makers as faculty salary issues are considered. Overall, this information shows a general decline in faculty salary increases nationally.

The Commission adopted this report on April 3, 1995, on recommendation of its Fiscal Policy and Analysis Committee. To order copies of this report (95-4) write the Commission at 1303 J Street, Suite 500, Sacramento, California 95814-2838, or telephone (916) 445-7933.

FACULTY SALARIES IN CALIFORNIA'S PUBLIC UNIVERSITIES, 1995-96

*A Report to the Legislature
and the Governor in Response
to Senate Concurrent Resolution No. 51 (1965)*

CALIFORNIA POSTSECONDARY EDUCATION COMMISSION
1303 J Street ♦ Suite 500 ♦ Sacramento, California 95814-2938



COMMISSION



**COMMISSION REPORT 95-4
PUBLISHED APRIL 1995**

Contributing Staff Christopher Carter

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1

Summary and Conclusions

THIS 1995-96 faculty salary report contains detailed information on average salaries at the comparison institutions of the California State University and the University of California. It analyzes raw data submitted by these institutions, explains the Commission's faculty salary parity computations, and presents the percentage amounts by which existing salaries would have to be increased to achieve parity with their respective comparison groups. The report also provides a summary of national faculty salary information that provides a context for policy makers as they consider salary issues.

The California State University

The Commission's analysis of the information supplied by the comparison institutions of the California State University indicates a parity deficiency for the State University of 12.7 percent in the 1995-96 academic year. This parity figure is the single highest for the State University in over 17 years. It grew substantially for 1995-96 due to both a decline in average faculty salaries at the State University and an increase in average faculty salaries at the comparison institutions.

These projections are based on the consideration of current-year payroll analyses at all 20 of the State University's comparison institutions. A year ago, estimates had to be used for two of the comparison institutions. As with last year's report, comparison institution salary information for law faculty has been excluded from the calculations.

University of California

The Commission's analysis of information for the comparison institutions of the University of California indicates a projected parity deficiency for University faculty in 1995-96 of 10.4 percent. While this represents a decline from 12.6 percent a year ago, it is still high. In only four of the last 17 years has the lag between University and comparison institution faculty salaries been larger. The University's parity figure was calculated based on complete 1994-95 data from all eight of the University's comparison institutions.

The 10.4 percent figure was derived using the methodology instituted for 1993-94. Under that methodology, which is generally consistent with that used to calculate the State University's parity figure, average faculty compensation for the comparison institutions is weighted based upon the number of faculty at each institution. Among the University's eight comparison institutions, four are public institutions and four are independent, and the effect of weighting comparison institution average salaries by the number of faculty at each institution has been to grant greater influence to the public universities (since they have larger faculties),

and these institutions generally pay their faculties slightly less than their independent counterparts

General trends Information contained in this report, some of it from the American Association of University Professors, indicates a general decline in faculty salary increases nationally. While faculty salary increases consistently out-paced inflation during the 1980s, there have been no clear trends in the four years since 1990-91. For two of those years, the Consumer Price Index increased at a faster rate than faculty salaries. For the other two years, faculty salaries increased at a marginally higher rate. While the University's parity figure has declined for 1995-96, both the State University's and University's parity figures are among the highest that the Commission has observed over the history of this report. Given the fiscal pressures that continue to confront the State University and the University, the gap between the salary levels at California's universities and those at their respective comparison institutions will likely remain substantial.

2

National Trends in Faculty Compensation and Prospects for State Funding of Higher Education

THIS SECTION of this report presents information intended to provide a context in which to consider faculty salaries at the California State University and the University of California. It begins with information on national trends in both faculty salary levels and expenditures for benefits, thus providing both a national and historical context for the material discussed in this report. It then concludes with information on the State's economy and the prospects for support of higher education since the ability of the State University and University to support their faculty is so closely tied to the State's ability to support its public universities.

Changes in faculty compensation nationwide

In the spring of each year, the American Association of University Professors (AAUP) publishes a comprehensive report on faculty compensation known as *The Annual Report on the Economic Status of the Profession*. The 1994 report, as with all of the others, contains much useful trend information, which provides both a national and historical context for the material discussed in this report. Display 1 on the next page shows national trends in faculty compensation by faculty rank. Throughout the 1970s, faculty salaries declined in constant dollars. Beginning in 1981-82, they then climbed steadily until 1990-91, when they declined for the first time in 9 years. Since that time, there has been no clear trend. Faculty salaries adjusted for inflation did, however, increase by 0.3 percent for 1993-94, the latest year for which information was available.

Display 2 on page 5 shows that the rates of increase for faculty salaries have not been consistent across institutional affiliation. For each of the three most recent years for which information is available and over the past 10 years, the percentage increases in faculty salaries has been greater at both independent and church-related institutions than at public institutions.

While the Commission no longer reports annually on employer contributions to benefit packages, the AAUP has presented information on benefits expenditures per faculty member. This information is reflected in Display 3 on page 5 and should be of interest to policy makers. It shows first that expenditures for benefits over the past ten years have grown at a faster rate than expenditures for faculty salaries. It also shows that expenditures for medical and dental insurance have grown at a particularly rapid pace. Over the ten years ending in 1993-94, faculty salaries grew an average of 5.0 percent per year, while expenditures on medical and dental insurance grew by an average of 11.2 percent per year. Over that same

DISPLAY 1 *Percentage Increases in Average Current and Real Dollar Faculty Salaries for American Colleges and Universities Reporting Comparable Data for Adjacent One-Year Periods, and Percentage Changes in the Consumer Price Index, 1973-74 Through 1993-94*

<u>Year</u>	Current Dollars					Constant Dollars					Consumer Price Index*
	<u>Professor</u>	<u>Associate Professor</u>	<u>Assistant Professor</u>	<u>Instructor</u>	<u>All Ranks</u>	<u>Professor</u>	<u>Associate Professor</u>	<u>Assistant Professor</u>	<u>Instructor</u>	<u>All Ranks</u>	
1973-74 to 1974-75	5 8	5 9	5 7	5 8	5 8	-5 8	-5 7	-5 9	-5 8	-5 8	12 3
1974-75 to 1975-76	6 2	5 9	5 7	6 1	6 0	-0 7	-0 9	-1 1	-0 7	-0 8	6 9
1975-76 to 1976-77	4 7	4 7	4 7	4 7	4 7	-0 2	-0 2	-0 2	-0 2	-0 2	4 9
1976-77 to 1977-78	5 2	5 4	5 3	5 4	5 3	-1 4	-1 2	-1 3	-1 2	-1 3	6 7
1977-78 to 1978-79	5 6	5 8	5 9	6 0	5 8	-3 1	-2 9	-2 8	-2 7	-2 9	9 0
1978-79 to 1979-80	7 5	7 0	6 8	6 4	7 1	-5 1	-5 5	-5 7	-6 1	-5 4	13 3
1979-80 to 1980-81	8 8	8 5	8 8	8 6	8 7	-3 3	-3 6	-3 3	-3 5	-3 4	12 5
1980-81 to 1981-82	9 0	8 8	9 1	8 2	9 0	0 1	-0 1	0 2	-0 7	0 1	8 9
1981-82 to 1982-83	6 3	6 3	6 8	6 7	6 4	2 4	2 4	2 9	2 8	2 5	3 8
1982-83 to 1983-84	4 6	4 4	5 0	5 1	4 7	0 8	0 6	1 2	1 3	0 9	3 8
1983-84 to 1984-85	6 7	6 4	6 6	6 2	6 6	2 7	2 4	2 6	2 2	2 6	3 9
1984-85 to 1985-86	6.1	5 9	6 2	5 9	6 1	2 2	2 0	2 3	2 0	2 2	3 8
1985-86 to 1986-87	6 0	5 8	5 7	4 9	5 9	4 8	4 6	4 5	3 8	4 7	1 1
1986-87 to 1987-88	5 0	4 8	4 9	3 8	4 9	0 6	0 4	0 5	-0 6	0 5	4 4
1987-88 to 1988-89	5 8	6 7	6 0	5 3	5 8	1 3	2 2	1 5	0 9	1 3	4 4
1988-89 to 1989-90	6 3	6 3	6 3	5 4	6 1	1 6	1 6	1 6	0 7	1 4	4 6
1989-90 to 1990-91	5 5	5 3	5 5	5 0	5 4	-0 6	-0 8	-0 6	-1 0	-0 7	6 1
1990-91 to 1991-92	3 4	3 5	3 8	3 9	3 5	0 3	0 4	0 7	0 8	0 4	3 1
1991-92 to 1992-93	2 6	2 3	2 6	2 3	2 5	-0 3	-0 6	-0 3	-0 6	-0 4	2 9
1992-93 to 1993-94	3 0	3 1	3 0	3 2	3 0	0 3	0 4	0 3	0 5	0 3	2 7

* Consumer Price Index (All Urban Consumers) is obtained from the Bureau of Labor Statistics and is calculated from December to December

Source American Association of University Professors, 1994

period, the Consumer Price Index rose, on average, 3.4 percent per year. Little doubt exists that employee benefits are now, and will continue to be, a major financial issue for higher education planners.

The prospect for State support of higher education

Historically, the financial health of California's public higher education institutions has been closely linked to the productivity of the California economy. Throughout the 1980s, the California economy was healthy, State support of higher education grew substantially, and faculty salaries at the State University and the University kept pace with those at comparison institutions. However, the recession of the early 1990s brought with it declines in State support for higher education and an

DISPLAY 2 *Percentage Changes in Average Faculty Salaries of American Colleges and Universities in Three Recent Years and Over the Past 10 Years, by Institutional Affiliation*

<u>Year</u>	<u>Institutional Affiliation</u>			
	<u>All Combined</u>	<u>Public</u>	<u>Private/Independent</u>	<u>Church-Related</u>
1990-91 to 1991-92	3.5	2.9	4.7	5.5
1991-92 to 1992-93	2.5	1.9	3.8	4.2
1992-93 to 1993-94	3.0	2.9	3.3	3.4
1983-84 to 1993-94	63.6	61.4	70.1	66.5
Average Annual Increase				
1983-84 to 1993-94	5.0	4.9	5.5	5.2

Note: Samples include 1,838 institutions reporting comparable data for 1990-91 and 1991-92, 1,527 for 1991-92 and 1992-93, and 1,932 for 1992-93 and 1993-94, as well as 1983-84 and 1993-94.

Source: AAUP, 1992, 1993, and 1994, CPEC staff analysis.

DISPLAY 3 *Average Dollar Expenditure per Faculty Member for Specific Major Employee Benefits, by Affiliation, 1993-94, and Percentage Increase in Average Expenditure from 1983-84 to 1993-94*

<u>1993-94</u>	<u>Retirement</u>	<u>Medical/Dental Insurance</u>	<u>Social Security</u>	<u>All Combined*</u>
Public	5,022	3,376	2,804	12,003
Private Independent	4,695	3,362	3,642	13,906
Church-Related	3,297	2,538	3,034	10,575
All Combined	\$4,733	\$3,266	\$2,980	\$12,150
Percentage Increase in Average Expenditure 1983-84 to 1993-94				
Public	78.3	165.8	89.3	100.4
Private Independent	74.8	237.2	105.2	116.1
Church-Related	98.7	169.4	96.8	121.1
All Combined	89.3%	189.8%	90.4%	109.4%
Average Annual Increase	6.6%	11.2%	6.7%	7.7%

* The "All Combined" figures include all major employee benefits (i.e. retirement, medical/dental, disability, tuition, social security, unemployment and workers' compensation taxes, group life, and other benefits in kind with cash option).

Source: AAUP, 1994

increasing gap between salaries of faculty at the State University and University and their respective comparison institutions. In addition, the prospects for a return to the financial strengths of the 1980s appear minimal. This is because of California's oft-noted structural problems of rapidly expanding demands and mini-

mally expanding revenues -- a situation which promises continuing fiscal pressures even during times of relative prosperity. Many responsible agencies and officials, including the Postsecondary Education Commission, have warned that no one should expect California's higher education budgetary problems to be solved once the State has fully recovered from its recession.

For 1995-96, the Governor's budget includes an overall increase in General Fund support of higher education of 3 percent, with the State University and the University each receiving 2 percent. Furthermore, Governor Wilson has committed to increasing General Fund support for higher education by an average of 4 percent per year for the three years beginning in 1996-97. The Governor's commitment would bring some predictability to the budgeting process and larger increases in General Fund support of education than the State has seen for several years. However, these increases in General fund support will be inadequate to maintain services at either the State University or the University. Thus, while the fiscal pressures will be less than they were when State support of higher education was actually being reduced, budget constraints will likely continue to limit faculty salary increases.

3

Projected Salaries Required for Parity at the California State University and the University of California

ANNUALLY, in accordance with Senate Concurrent Resolution No. 51 of the 1965 General Legislative Session (reproduced in Appendix A on page 19), the California State University and the University of California submit to the Commission information on faculty salaries for their respective institutions and for a group of comparison colleges and universities. On the basis of this information, Commission staff develops estimates of the percentage changes in salaries required to attain parity with the comparison groups in the forthcoming fiscal year. Current procedures dictate that parity figures for both systems be submitted annually to the Department of Finance and the Office of the Legislative Analyst during the first week of December. These parity figures then become the basis for an annual report adopted by the Commission each Spring.

Methodology

The methodology that determines the lists of comparison institutions, the procedures by which the systems collect salary information, and the techniques used to analyze this information have been designed and refined periodically by the Commission -- and the Coordinating Council before it -- in consultation with representatives from the California State University, the University of California, the Department of Finance, and the Office of the Legislative Analyst. Appendix B on pages 21-24 traces the history of those refinements, but in brief, the Commission approved a major revision in 1985 (CPEC, 1985) and has since revised it four times (CPEC, 1987, 1988, 1989a, and 1989b) to reflect minor changes in the methodology used for calculating the parity figure and to alter the California State University's and the University of California's groups of comparison institutions. At the present time, the two systems employ the lists of comparison institutions depicted in Display 4 on the next page.

Since 1993-94, the methodology used to calculate the salary lag at the State University and University have been consistent. Prior to that time, the average faculty salary for the University's comparison institutions was not weighted by faculty size. Currently, however, weighted averages are used for both systems.

Besides the present report, the Commission annually issues a supplemental report, requested in previous years by the Office of the Legislative Analyst and subsequently incorporated into Supplemental Language to the Budget Act, in which it discusses faculty salaries in the California Community Colleges.

DISPLAY 4 Faculty Salary Comparison Institutions of the California State University and the University of California, 1995-96

The California State University

Northeast Region

Bucknell University*
Rutgers, the State University of
New Jersey, Newark
State University of New York at
Albany
Tufts University*
University of Connecticut

Southern Region

Georgia State University
George Mason University
North Carolina State University
University of Maryland,
Baltimore County

North Central Region

Cleveland State University
Illinois State University
Loyola University, Chicago*
Wayne State University
University of Wisconsin,
Milwaukee

Western Region

Arizona State University
Reed College*
University of Colorado, Denver
University of Nevada, Reno
University of Southern California*
University of Texas, Arlington

University of California

Harvard University*
Massachusetts Institute
of Technology*
Stanford University*
State University of New York
at Buffalo
University of Illinois, Urbana
University of Michigan, Ann
Arbor
University of Virginia,
Charlottesville
Yale University*

* Independent Institution.

Source California Postsecondary Education Commission.

Trends in faculty salaries and parity figures

With the major economic recovery that began in 1983, the salary deficiencies experienced by California's two public universities during the early 1980s were ameliorated, as were those of most other institutions of higher education across the country. Display 5 on the opposite page shows the parity figures the Commission derived for the State University and University since 1979-80, and compares those figures to the actual faculty salary increases for those years. The display shows that, as California emerged from the recession of the early 1980s, both the State University and University lagged significantly behind their comparison institutions -- a circumstance that was leveled in the final two years of the decade.

Between 1983-84 and 1989-90, strong performances in the State and national economies generated State revenues sufficient to restore faculty salaries to levels where the educational systems were better able to compete with private business and industry. Beginning in 1990-91, however, budgetary pressure stemming from the State's economic recession and demands in other State programs began to restrict the State's ability to grant the faculty salary adjustments needed to reach parity with the comparison institutions. The year 1990-91 is the most recent in which salary increases -- 4.9 percent at the State University, and 4.8 percent at the University -- were granted to achieve parity. There were no salary increases in 1991-92 or 1992-93 at the State University or the University. In addition, the University reduced faculty salaries by 3.5 percent for 1993-94. However, the State University increased faculty salaries by 3 percent in 1993-94, and in 1994-95 the University restored the 3.5 percent salary reduction and implemented a faculty

DISPLAY 5 Comparisons of Faculty Salary Parity Adjustment Calculations by the California Postsecondary Education Commission with Actual Percentage Increases Provided in State Budgets 1979-80 Through 1995-96

<u>Year</u>	<u>The California State University</u>		<u>University of California</u>	
	<u>Parity Figure</u>	<u>Salary Increase</u>	<u>Parity Figure</u>	<u>Salary Increase</u>
1979-80	10 1%	14 5%	12.6%	14 5%
1980-81	0 8	9.8	5 0	9 8
1981-82	0 5	6 0	5 8	6 0
1982-83	2 3	0 0	9 8	0 0
1983-84	9 2	6 0	18 5	7 0
1984-85	7 6	10 0	10 6	9 0
1985-86	N/A	10 5	6 5	9 5
1986-87	6 9	6 8	1 4	5 0
1987-88	6 9	6.9	2 0	5 6
1988-89	4 7	4 7	3 0	3 0
1989-90	4 8	4 8	4 7	4 7
1990-91	4 9	4 9	4 8	4 8
1991-92	4 1	0 0	3 5	0 0
1992-93	6 0	0 0	6 7	0 0
1993-94	8 5	3 0	6 5	0 0*
1994-95	6 8	0 0	12 6	3 0
1995-96	12 7	N/A	10 4	N/A

* The University imposed a 3.5 percent faculty salary decrease for 1993-94. The University fully restored that decrease for 1994-95.

Source: California Postsecondary Education Commission.

salary increase of 3.0 percent.

The following sections present the Commission's traditional analysis of information from both the California systems and their respective groups of comparison institutions. Each analysis is the result of a careful examination of raw data from the comparison institutions in terms of number of faculty and total appropriation by academic rank. In each case, the average salaries paid to 11-month faculty are converted to nine-month salary figures.

The California State University

Display 6 on page 10 shows the traditional summary information for the State University and its comparison institutions. It indicates a projected parity deficiency of 12.7 percent between the mean salary expected to be paid in 1995-96 at the comparison institutions and that at the State University figures.

For the three years beginning in 1990-91, the State University faculty's all-ranks average remained almost static.

That average stood at \$52,310 in 1990-91, \$52,845 in 1991-92, and \$52,623 in 1992-93. With the 1993-94 faculty salary increase, the State University faculty's all ranks average climbed significantly for the first time in four years. For 1994-95, however, it has declined once again. Recent downward pressures on average faculty salaries are likely due, in part, to the higher-than-average retirement rate of senior faculty occasioned by the State University's three early retirement plans since 1991-92.

The small, if any, increases in faculty compensation at the State University in the past few years have produced expected effects in relation to its comparison institutions. Nationally, although faculty salary increases have also been depressed, the State University has clearly lost ground in relation to its comparison group, as Display 7 on page 11 illustrates. As an example, among all 21 institutions (the State University plus its 20 comparison institutions), the salary rank for the State University's full professors has dropped from ninth in 1989-90 to seventeenth in 1994-95. Associate professors' salary has slid from sixth to twelfth over the same

DISPLAY 6 *California State University Comparison Group Average Salaries, 1989-90 and 1994-95, Compound Rates of Increase, Projected Comparison Group Average Salaries, 1995-96, and Projected Percentage Increase Required in California State University Faculty Salaries to Attain Parity with the Comparison Group in 1995-96*

<u>Academic Rank</u>	<u>Comparison Group Average Salaries, 1989-90</u>	<u>Comparison Group Average Salaries, 1994-95</u>	<u>Compound Rate of Increase</u>	<u>Comparison Group Projected Salaries, 1995-96</u>
Professor	\$58,863	\$70,418	3.65%	\$72,998
Associate Professor	\$43,889	\$52,110	3.49%	\$53,930
Assistant Professor	\$36,865	\$42,995	3.12%	\$44,339
Instructor	\$29,578	\$35,068	3.46%	\$36,283

<u>Academic Rank</u>	<u>California State University Actual Average Salaries, 1994-95</u>	<u>Comparison Group Average Salaries Actual, 1994-95</u>	<u>Comparison Group Average Salaries Projected, 1995-96</u>	<u>Percentage Increase Required in California State University Average Salaries to Equal the Comparison Institution Average Actual, 1994-95</u>	<u>Projected, 1995-96</u>
Professor	\$62,293	\$70,418	\$72,998	13.0%	17.2%
Associate Professor	\$49,979	\$52,110	\$53,930	4.3%	7.9%
Assistant Professor	\$40,854	\$42,995	\$44,339	5.2%	8.5%
Instructor	\$32,734	\$35,068	\$36,283	7.1%	10.8%
Weighted by State University Staffing	\$56,332	\$62,329	\$64,554	10.6%	14.6%
Weighted by Comparison Institution Staffing	\$51,993	\$56,414	\$58,387	8.5%	12.3%
Mean All Ranks Average and Gross Percentage Amount*	\$54,162	\$59,372	\$61,471	9.6%	13.5%
Adjustments					
Turnover and Promotions			-108		0.2%
Merit Award Adjustment			-341		0.6%
Net Parity Salary and Percent			\$61,021		12.7%

Institutional Current-Year Staffing Pattern (Headcount Faculty)

	<u>Professor</u>	<u>Associate Professor</u>	<u>Assistant Professor</u>	<u>Instructor</u>	<u>Total</u>
The California State University	6,706	2,032	1,520	150	10,408
Comparison Institutions	4,695	4,283	3,047	301	12,326

*All-Ranks Average derived by averaging the California State University and comparison institution staffing patterns.

period, while assistant professors' salary rank slid from tenth to sixteenth. It is also interesting to note that, while the State University's faculty classifications rank no higher than 12 for 1994-95, its overall weighted average compensation ranks ninth -- due largely to the fact that the State University has a larger percentage of its faculty at the professor level.

DISPLAY 7 California State University Comparison Institution Salary Data, by Rank, 1989-90 and 1994-95

Institution	Number	Professors		Associate Professors		Assistant Professors		Instructors		All					
		Average Salary	Rank	Number	Average Salary	Rank	Number	Average Salary	Rank	Number	Average Salary	Rank	Weighted Average		
													Total	Salary	Rank
1989-90															
Institution R	167	\$69,300	(1)	246	\$47,200	(5)	177	\$40,200	(4)	26	\$30,400	(5)	616	\$50,471	(6)
Institution Q	413	\$67,675	(2)	398	\$48,706	(4)	346	\$40,621	(2)	27	\$43,710	(1)	1,184	\$52,846	(3)
Institution N	245	\$67,087	(3)	245	\$49,255	(2)	128	\$36,927	(9)	0	\$0	(18)	618	\$53,771	(2)
Institution J	97	\$65,605	(4)	139	\$49,735	(1)	85	\$42,474	(1)	19	\$29,533	(6)	340	\$51,318	(4)
Institution B	490	\$63,740	(5)	309	\$48,769	(3)	222	\$40,352	(3)	10	\$36,123	(2)	1,031	\$53,949	(1)
Institution I	75	\$62,577	(6)	114	\$44,429	(7)	114	\$38,129	(6)	39	\$25,878	(15)	342	\$44,193	(12)
Institution P	103	\$61,438	(7)	113	\$44,315	(8)	69	\$37,098	(8)	0	\$0	(17)	285	\$48,756	(8)
Institution K	406	\$60,821	(8)	327	\$43,959	(10)	235	\$37,653	(7)	13	\$28,629	(9)	981	\$49,224	(7)
CSU	7,512	\$57836	(9)	2,332	\$45,730	(6)	1,939	\$37,841	(10)	225	\$30,957	(4)	12,008	\$51,684	(5)
Institution A	257	\$56,438	(10)	243	\$40,861	(17)	188	\$34,006	(18)	27	\$24,656	(16)	715	\$44,046	(14)
Institution C	88	\$56,418	(11)	57	\$41,584	(15)	81	\$35,968	(12)	0	\$0	(19)	226	\$45,347	(10)
Institution S	268	\$56,070	(12)	285	\$44,000	(9)	195	\$38,449	(5)	9	\$28,916	(7)	757	\$46,664	(9)
Institution B	143	\$55,600	(13)	219	\$42,800	(11)	162	\$35,000	(17)	14	\$31,200	(3)	538	\$43,552	(15)
Institution M	489	\$54,772	(14)	441	\$41,527	(16)	344	\$35,054	(16)	20	\$26,655	(13)	1,294	\$44,582	(11)
Institution D	143	\$54,164	(15)	214	\$42,034	(12)	96	\$35,591	(14)	30	\$26,215	(14)	483	\$43,362	(16)
Institution M	119	\$53,820	(16)	129	\$42,027	(13)	98	\$35,735	(13)	4	\$28,191	(10)	350	\$44,117	(13)
Institution O	166	\$52,851	(17)	239	\$39,356	(19)	136	\$33,982	(19)	1	\$28,000	(12)	542	\$42,120	(19)
Institution T	264	\$52,556	(18)	299	\$39,548	(18)	213	\$36,255	(11)	9	\$28,090	(11)	785	\$42,898	(17)
Institution E	106	\$50,933	(19)	104	\$41,637	(14)	84	\$35,308	(15)	19	\$28,790	(8)	313	\$42,307	(18)
Institution H	284	\$50,100	(20)	200	\$39,000	(20)	241	\$32,200	(20)	0	\$0	(20)	725	\$41,088	(20)
Institution L	50	\$49,639	(21)	26	\$38,054	(21)	45	\$31,151	(21)	0	\$0	(21)	121	\$40,274	(21)
Totals	11,885	\$56,682		6,679	\$42,550		5,198	\$35,487		492	\$28,386		24,254	\$47,674	

1994-95

Institution J	109	\$90,773	(1)	122	\$67,222	(1)	81	\$53,168	(1)	19	\$39,158	(5)	331	\$69,927	(1)
Institution Q	482	\$80,688	(2)	360	\$58,244	(3)	269	\$49,142	(2)	32	\$42,155	(2)	1,143	\$65,116	(2)
Institution R	207	\$77,674	(3)	262	\$53,941	(6)	138	\$42,049	(12)	43	\$36,193	(8)	650	\$57,800	(7)
Institution N	267	\$76,149	(4)	207	\$54,274	(5)	113	\$42,437	(10)	0	\$0	(17)	587	\$61,945	(4)
Institution P	95	\$76,136	(5)	118	\$56,093	(4)	65	\$43,092	(7)	0	\$0	(17)	278	\$59,902	(6)
Institution K	455	\$75,413	(6)	340	\$53,177	(9)	228	\$44,829	(4)	26	\$32,959	(11)	1,049	\$60,506	(5)
Institution G	150	\$75,100	(7)	207	\$53,400	(8)	147	\$42,800	(8)	5	\$38,900	(6)	509	\$56,591	(8)
Institution B	456	\$74,800	(8)	325	\$58,900	(2)	237	\$46,400	(3)	10	\$40,000	(4)	1,028	\$62,887	(3)
Institution F	239	\$69,639	(9)	244	\$48,972	(13)	232	\$41,592	(13)	39	\$31,556	(14)	754	\$52,351	(15)
Institution C	81	\$68,331	(10)	85	\$51,748	(10)	78	\$42,429	(11)	1	\$35,080	(9)	245	\$54,196	(12)
Institution I	93	\$68,195	(11)	124	\$47,967	(16)	99	\$41,326	(15)	38	\$29,767	(16)	354	\$49,470	(18)
Institution S	276	\$67,858	(12)	257	\$53,707	(7)	210	\$43,673	(6)	15	\$42,579	(1)	758	\$55,860	(10)
Institution M	138	\$66,181	(13)	127	\$48,671	(15)	94	\$39,590	(17)	2	\$42,105	(3)	361	\$52,964	(14)
Institution A	577	\$64,688	(14)	452	\$48,831	(14)	251	\$41,359	(14)	5	\$32,163	(13)	1,285	\$54,427	(11)
Institution T	272	\$64,221	(15)	312	\$50,458	(11)	163	\$44,139	(5)	5	\$36,597	(7)	752	\$53,974	(13)
Institution E	102	\$63,210	(16)	114	\$47,277	(17)	118	\$42,707	(9)	40	\$33,476	(10)	374	\$48,704	(17)
CSU	6,706	\$62,293	(17)	2,032	\$49,979	(12)	1,520	\$40,854	(16)	150	\$32,734	(12)	10,408	\$56,332	(9)
Institution L	47	\$60,418	(18)	19	\$46,208	(19)	34	\$39,118	(18)	0	\$0	(17)	100	\$50,476	(16)
Institution D	143	\$60,108	(19)	195	\$46,331	(18)	119	\$39,025	(19)	21	\$31,055	(15)	478	\$47,963	(20)
Institution O	217	\$59,343	(20)	222	\$43,975	(21)	137	\$36,556	(21)	0	\$0	(17)	576	\$48,000	(19)
Institution H	289	\$57,300	(21)	191	\$45,000	(20)	234	\$38,600	(20)	0	\$0	(17)	714	\$47,881	(21)
Totals	4,695	\$70,418		4,283	\$52,110		3,047	\$42,995		301	\$35,068		12,326	\$56,414	

Source The California State University, Office of the Chancellor

In the years in which faculty received no cost-of-living adjustment, the parity percentage deficiency grew. The lag was estimated to be 4.1 percent in 1991-92, 6.0 percent in 1992-93, and 8.5 percent in 1993-94. Such numbers may appear confusing, since it may be assumed that a 4.1 percent lag should grow to over 8 percent the following year if no salary increase is granted. In practice, however, this seldom occurs because the predicted comparison institution all-ranks average is based on a five-year moving average that is constantly shifting and does not move in a straight line. When economic times turn adverse, the salary percentage predicted for the State University by the five-year projection line may not be realized as lower than predicted salary increases are granted by the comparison group. However, the conclusion that should be drawn from this information is that the State University's position is slowly eroding.

Display 8 below shows the State University faculty salary schedules for 1994-95.

DISPLAY 8 *California State University Faculty Salary Schedules, 1994-95*

Rank	Level	Academic Year Faculty					12-Month Faculty				
		Faculty in Most Disciplines		Faculty in Business, Engineering, and Computer Science		Percentage Difference	Faculty in Most Disciplines		Faculty in Business, Engineering, and Computer Science		Percentage Difference
		Monthly	Annual	Monthly	Annual		Monthly	Annual	Monthly	Annual	
Instructor	1	\$2,495	\$29,940	N A	N A.	N A.	\$2,853	\$34,236	N A	N A	N A.
	2	2,605	31,260	N A	N A.	N A.	2,989	35,868	N A	N A	N A.
	3	2,726	32,712	N A	N A.	N A.	3,130	37,560	N A	N A.	N A.
	4	2,853	34,236	N A	N A.	N A.	3,280	39,360	N A	N A	N A.
	5	2,989	35,868	N A	N A.	N A.	3,432	41,184	N A.	N A	N A.
Assistant Professor	1	2,726	32,712	\$3,326	\$39,912	22.0%	3,130	37,560	\$3,818	\$45,816	22.0%
Professor	2	2,853	34,236	3,482	41,784	22.0%	3,280	39,360	4,001	48,012	22.0%
	3	2,989	35,868	3,647	43,764	22.0%	3,432	41,184	4,188	50,256	22.0%
	4	3,130	37,560	3,818	45,816	22.0%	3,597	43,164	4,388	52,656	22.0%
	5	3,280	39,360	4,001	48,012	22.0%	3,768	45,216	4,596	55,152	22.0%
	6	3,432	41,184	4,183	50,196	21.9%	3,948	47,376	4,813	57,756	21.9%
	7	3,597	43,164	4,384	52,608	21.9%	4,136	49,632	5,044	60,528	22.0%
	8	3,768	45,216	N A.	N A	N A.	4,337	52,044	N A	N A.	N A.
Associate Professor	1	3,432	41,184	3,818	45,816	11.2%	3,948	47,376	4,388	52,656	11.1%
Professor	2	3,597	43,164	4,001	48,012	11.2%	4,136	49,632	4,596	55,152	11.1%
	3	3,768	45,216	4,183	50,196	11.0%	4,337	52,044	4,813	57,756	11.0%
	4	3,948	47,376	4,384	52,608	11.0%	4,543	54,516	5,044	60,528	11.0%
	5	4,136	49,632	4,684	56,208	13.2%	4,763	57,156	5,394	64,728	13.2%
	6	4,337	52,044	4,908	58,896	13.2%	4,993	59,916	5,652	67,824	13.2%
	7	4,543	54,516	5,144	61,728	13.2%	5,232	62,784	5,927	71,124	13.3%
	8	4,763	57,156	N A.	N A.	N A.	5,489	65,868	N A	N A	N A.
Professor	1	4,337	52,044	4,684	56,208	8.0%	4,993	59,916	5,394	64,728	8.0%
Professor	2	4,543	54,516	4,908	58,896	8.0%	5,232	62,784	5,652	67,824	8.0%
	3	4,763	57,156	5,144	61,728	8.0%	5,489	65,868	5,927	71,124	8.0%
	4	4,993	59,916	5,394	64,728	8.0%	5,753	69,036	6,212	74,544	7.8%
	5	5,232	62,784	5,652	67,824	8.0%	6,032	72,384	6,514	78,168	7.9%

Source: The California State University, Office of the Chancellor

It should be noted that business, engineering, and computer science faculty, including those on both nine- and eleven-month appointments, receive an upward adjustment that differs by faculty rank

*Non-reporting
institutions*

In its 1986-87 report, the Commission noted that the State University encountered considerable difficulty in its attempts to obtain reliable information from all its comparison institutions. Several institutions declined to participate in the annual survey, while others were not prepared to supply the information in a timely fashion. After the advisory committee was reconvened in 1986 to discuss this problem, it unanimously approved replacements for those institutions that would not provide information in a timely fashion.

Following that meeting, State University officials made efforts to develop relationships with personnel at the comparison institutions. It soon became evident that complete current-year information could not be obtained from all of them in November or even December of each year, nor could useful information be obtained from any other list of institutions that could conceivably be established, because many universities do not analyze their faculty payrolls until after the November deadline required by the current methodology. Because the Department of Finance requests this information by the first week in December of each year for consideration in the Governor's Budget, estimates continue to be necessary for those institutions not supplying current-year information.

In its attempts to make the estimates as accurate as possible, the Chancellor's Office of the State University analyzed the differences between the cost-of-living adjustments projected to be given to faculty, and those actually distributed to them. This analysis showed that the actual changes in any institution's average salaries increased by only about 95 percent of the projected percentage increase -- a difference caused by changes in staffing patterns at the institutions involved. Accordingly, the State University suggested that, when current-year information cannot be obtained, but the projected cost-of-living adjustment is known, that percentage be multiplied by 0.95. However, this year the State University was able to obtain complete current-year information from all 20 of its comparison institutions. Thus, unlike in previous years, the 0.95 adjustment factor did not have to be applied to any projected 1993-94 cost-of-living adjustment information.

*Miscellaneous
adjustments*

Consistent with its methodology, reductions of 0.2 percent for turnover and promotions, and 0.6 percent to reflect an additional appropriation for merit salary adjustment, are included in the calculation. The first is unchanged from last year's cycle, while the second has been decreased to 0.6 percent from last year's estimate of 0.7 percent. With these two adjustments, the State University's 1995-96 parity calculation shows a lag of 12.7 percent from its comparison institutions, as Display 6 on page 10 shows.

University of California

In a December, 1994 letter to the University community, University of California President Jack Peltason articulated his commitment to faculty salaries. In his letter, he stated that his first priority for the University was the restoration of competitive faculty salaries over the course of several years. For 1995-96, the University adopted a budget that included plans for a 5 percent increase in faculty salaries and a request for a 7.9 percent increase in General Fund support from the State. However, the University received only a 2 percent increase in General Fund support, and the University's actions on faculty salaries for 1995-96 have not yet been announced.

Display 9 below shows the average salaries by rank at the comparison institutions in 1989-90 and 1994-95, as well as the University's position in each of these two years. The faculty salary methodology is designed to place the University's faculty at the middle of the comparison group, and the University is, indeed, at the middle of the comparison group at the professor rank and in average salary overall. This represents a recovery from being the sixth institution on the list a year

DISPLAY 9 *University of California Comparison Institution Average Salaries, 1989-90 and 1994-95*

1989-90	Type*	Professor		Associate Professor		Assistant Professor		Total Faculty	Average Salary
		Number	Salary	Number	Salary	Number	Salary		
Institution H	I	562	\$80,843	160	\$46,864	250	\$42,227	972	\$65,318
Institution A	I	486	\$78,421	129	\$55,049	159	\$43,473	774	\$67,346
Institution F	I	558	\$76,099	199	\$53,687	166	\$43,893	923	\$65,475
Institution D	I	364	\$74,681	116	\$46,145	187	\$36,809	667	\$59,100
UC	P	3,425	\$65,881	1,009	\$43,574	757	\$38,424	5,191	\$57,541
Institution B	P	389	\$68,350	274	\$47,076	182	\$37,750	845	\$54,861
Institution C	P	341	\$67,354	259	\$48,654	181	\$38,003	781	\$54,350
Institution E	P	709	\$65,565	278	\$49,790	361	\$42,351	1,348	\$56,095
Institution G	P	927	\$61,060	531	\$43,990	400	\$38,708	1,858	\$51,373
Total		4,336	\$70,534	1,946	\$47,964	1,886	\$40,382	8,168	
1994-95									
Institution H	I	563	\$104,684	127	\$64,053	197	\$54,785	887	\$87,784
Institution A	I	480	\$98,489	130	\$66,648	154	\$53,806	764	\$84,064
Institution F	I	581	\$93,202	159	\$65,890	175	\$52,532	915	\$80,678
Institution D	I	356	\$92,168	119	\$54,850	173	\$46,480	648	\$73,117
UC	P	2,991	\$79,283	1,142	\$53,309	968	\$46,185	5,101	\$67,246
Institution E	P	692	\$79,019	336	\$59,085	351	\$47,320	1,379	\$66,094
Institution C	P	325	\$78,561	260	\$55,083	164	\$44,067	749	\$62,876
Institution B	P	425	\$73,239	292	\$50,102	197	\$41,678	914	\$59,050
Institution G	P	872	\$71,229	507	\$50,878	381	\$43,904	1,761	\$59,451
Total		4,295	\$85,379	1,930	\$56,166	1,792	\$47,482	8,017	

* I = Independent, P = Public

Source: University of California, Office of the President.

ago. For 1994-95, the University's salary positions for associate and assistant professors have remained unchanged at seventh and sixth, respectively

Display 10 below shows the parity calculations for the 1995-96 fiscal year, and it indicates that University faculty salaries will require an increase of 10.4 percent to maintain parity at the mean of its comparison group. This parity figure is down from 12.6 percent a year ago. Last year's high parity figure was driven, in part, by actual declines in the University's all ranks average salary. Not only had university faculty failed to receive salary increases, but a significant number of high paid faculty had retired from the system due to the University's early retirement programs.

In contrast, not only did the University's all ranks average salary increase for 1994-95, but it also increased at a faster rate than that of the comparison institutions.

DISPLAY 10 *University of California Comparison Group Average Salaries, 1989-90 and 1994-95, Compound Rates of Increase, Projected Comparison Group Average Salaries, 1995-96, and Projected Percentage Increase Required in University of California Faculty Salaries to Attain Parity with the Comparison Group in 1995-96*

<u>Academic Rank</u>	<u>Comparison Group Average Salaries 1989-90</u>	<u>Comparison Group Average Salaries 1994-95</u>	<u>Compound Rate of Increase</u>	<u>Comparison Group Projected Salaries, 1995-96</u>
Professor	\$70,534	\$85,379	3.89%	\$88,703
Associate Professor	\$47,964	\$56,166	3.21%	\$57,968
Assistant Professor	\$40,382	\$47,482	3.29%	\$49,045

<u>Academic Rank</u>	<u>University of California Actual Average Salaries, 1994-95</u>	<u>Comparison Group Average Salaries</u>		<u>Percent Increase Required in University Average to Equal the Comparison Institution Average</u>	
		<u>Actual 1994-95</u>	<u>Projected 1995-96</u>	<u>Actual 1994-95</u>	<u>Projected 1995-96</u>
Professor	\$79,383	\$85,379	\$88,703	7.6%	11.7%
Associate Professor	\$53,309	\$56,166	\$57,968	5.4%	8.7%
Assistant Professor	\$46,185	\$47,482	\$49,045	2.8%	6.2%
Weighted by University of California Staffing	\$67,246	\$71,647	\$74,297	6.6%	10.5%
Weighted by Comparison Institution Staffing	\$65,686	\$69,875	\$72,440	6.4%	10.3%
Mean All Ranks Average and Net Percentage Amount*	\$66,466	\$70,761	\$73,368	6.5%	10.4%

Institutional Budget-Year Staffing Pattern **Number of Full-Time-Equivalent Faculty**

<u>Institution</u>	<u>Professor</u>	<u>Associate Professor</u>	<u>Assistant Professor</u>	<u>Total</u>
University of California	2,991	1,142	968	5,101
Comparison Institutions	4,295	1,930	1,792	8,017

*All-Ranks Average derived by averaging the University of California and Comparison Institution staffing patterns.

While the University's all ranks average salary increased by 5.6 percent, the comparison institutions' all ranks average increased by 4.3 percent. This difference contributed to a decline in the parity figure from 12.6 percent to 10.4 percent.

Display 11 below shows the University of California's salary schedule for the 1994-95 academic and fiscal years for regular faculty -- plus those in business management and engineering, who receive between 10.4 and 31.7 percent higher salaries than other faculty at comparable ranks and steps.

DISPLAY 11 *University of California Faculty Salary Schedules, 1994-95*

			Academic Year Faculty (Nine Months)					Fiscal-Year Faculty (Eleven Months)				
Rank	Normal Period at Salary		Faculty in Most Disciplines		Faculty in Business and Engineering		Percentage Difference	Faculty in Most Disciplines		Faculty in Business and Engineering		Percentage Difference
			Monthly	Annual	Monthly	Annual		Monthly	Annual	Monthly	Annual	
Instructor			\$2,633.33	\$31,600	NA	NA	NA	\$3,058.33	\$36,700	NA	NA	NA
Assistant Professor	1	2	\$3,050.00	\$36,600	\$4,016.67	\$48,200	31.7%	\$3,541.67	\$42,500	\$4,658.33	\$55,900	31.5%
Professor	2	2	3,225.00	38,700	4,225.00	50,700	31.0%	3,741.67	44,900	4,900.00	58,800	31.0%
	3	2	3,383.33	40,600	4,441.67	53,300	31.3%	3,925.00	47,100	5,150.00	61,800	31.2%
	4	2	3,558.33	42,700	4,658.33	55,900	30.9%	4,125.00	49,500	5,400.00	64,800	30.9%
	5	2	3,741.67	44,900	4,891.67	58,700	30.7%	4,341.67	52,100	5,675.00	68,100	30.7%
	6	2	3,966.67	47,600	5,091.67	61,100	28.4%	4,600.00	55,200	5,908.33	70,900	28.4%
Associate Professor	1	2	\$3,750.00	\$45,000	\$4,900.00	\$58,800	30.7%	\$4,350.00	\$52,200	\$5,683.33	\$68,200	30.7%
Professor	2	2	3,975.00	47,700	5,100.00	61,200	28.3%	4,608.33	55,300	5,916.67	71,000	28.4%
	3	2	4,183.33	50,200	5,308.33	63,700	24.4%	4,850.00	58,200	6,158.33	73,900	27.0%
	4	3	4,433.33	53,200	5,466.67	65,600	23.3%	5,141.67	61,700	6,341.67	76,100	23.3%
	5	3	4,741.67	56,900	5,641.67	67,700	19.0%	5,500.00	66,000	6,541.67	78,500	18.9%
	Professor	1	3	\$4,441.67	\$53,300	\$5,475.00	\$65,700	23.3%	\$5,150.00	\$61,800	\$6,350.00	\$76,200
2		3	4,750.00	57,000	5,650.00	67,800	18.9%	5,508.33	66,100	6,550.00	78,600	18.9%
3		3	5,166.67	62,000	5,991.67	71,900	16.0%	5,991.67	71,900	6,950.00	83,400	16.0%
4		3	5,650.00	67,800	6,433.33	77,200	13.9%	6,550.00	78,600	7,458.33	89,500	13.9%
5		—	6,158.33	73,900	6,925.00	83,100	12.4%	7,141.67	85,700	8,033.33	96,400	12.5%
6		—	6,683.33	80,200	7,450.00	89,400	11.5%	7,750.00	93,000	8,641.67	103,700	11.5%
7		—	7,216.67	86,600	7,991.67	95,900	10.7%	8,366.67	100,400	9,266.67	111,200	10.8%
8		—	7,791.67	93,500	8,600.00	103,200	10.4%	9,033.33	108,400	9,916.67	119,000	9.8%

Note: Salaries effective October 1, 1994.

Appendix A **Senate Concurrent Resolution No. 51, 1965
General Session**

**Senate Concurrent Resolution No. 51, 1965 General Session,
Relative to Academic Salaries and Welfare Benefits**

WHEREAS, The Joint Legislative Budget Committee pursuant to House Resolution No. 250, 1964 First Extraordinary Session, has had prepared and has adopted a report of the Legislative Analyst containing findings and recommendations as to salaries and the general economic welfare, including fringe benefits, of faculty members of the California institutions of higher education; and

WHEREAS, The study of the Joint Legislative Budget Committee found that the reporting of salaries and fringe benefits as it has been made previously to the Legislature has been fragmentary and has lacked necessary consistency, with the result that the Legislature's consideration of the salary requests of the institutions of higher learning has been made unnecessarily difficult; and

WHEREAS, The report recommends that the Legislature and the Governor should receive each December 1 a report from the Coordinating Council for Higher Education, plus such supplementary information as the University of California and the California State Colleges desire to furnish independently, containing comprehensive and consistently reported information as outlined specifically in the report adopted by the Joint Legislative Budget Committee; and

WHEREAS, The reporting recommended by the committee would include essential data on the size and composition of the faculty, the establishment of comprehensive bases for comparing and evaluating faculty salaries, the nature and cost of existing and desired fringe benefits, the nature and extent of total compensation to the faculty, special privileges and benefits, and a description and measurement of supplementary income, all of which affect the welfare of the faculties and involve implications to the state now, therefore, be it

Resolved by the Senate of the State of California, the Assembly thereof concurring, That the Coordinating Council for Higher Education in cooperation with the University of California and the California State Colleges shall submit annually to the Governor and the Legislature not later than December 1 a faculty salary and welfare benefits report containing the basic information recommended in the report of the Joint Legislative Budget Committee as filed with the President of the Senate and the Speaker of the Assembly, under date of March 22, 1965

Appendix B Changes in the Content and Methodology of the Reports Since the 1970s

THE DESIRE on the part of California officials for accurate and timely faculty salary data in higher education is at least as old as the Master Plan Survey Team, which recommended in 1960 the creation of a coordinating agency that would, among other duties, collect pertinent data on faculty supply and demand. For the next several years, following creation of the Coordinating Council for Higher Education, the Legislature sought information regarding faculty compensation and other issues relating to the State budget. While the Council did its best to provide the requested data, the Legislature -- and especially the Assembly -- deemed the Council's reports to be insufficient. Consequently, the Assembly requested the Legislative Analyst to prepare a specific report on the subject (House Resolution No. 250, 1964 First Extraordinary Session, reproduced in Appendix C, pp. 31-32).

Early in the 1965 General Session, the Legislative Analyst presented his report (Appendix D, pp. 33-44) and recommended that the process of developing data for use by the Legislature and the Governor in determining faculty compensation be formalized. This recommendation was embodied in Senate Concurrent Resolution No. 51 (1965), which specifically directed the Coordinating Council to prepare annual reports in cooperation with the University of California and the then California State Colleges.

Since that time, the Coordinating Council, and more recently the Commission, have submitted reports to the Governor and the Legislature. Prior to the 1973-74 budgetary cycle, the Coordinating Council submitted only one report annually, usually in March or April. Between 1974-75 and 1985-86, the Commission compiled two reports -- a preliminary report transmitted in December, and a final report in April or May. The first was intended principally to assist the Department of Finance in developing cost-of-living adjustments presented in the Governor's Budget, while the second was used by the Legislative Analyst and the legislative fiscal committees during budget hearings. Each report compared faculty salaries and the cost of fringe benefits in California's public four-year systems with those of other institutions (both within and outside of California) for the purpose of maintaining a competitive position.

As they evolved over a period of years, the Commission's salary reports were tailored to meet the information needs of the times. While always providing parity figures based on analyses of comparison institution data, they were occasionally expanded to include summaries of economic conditions, comparisons with other professional workers, discussions of supplemental income and business and indus-

trial competition for talent, analyses of collective bargaining, and data on community college faculty salaries, medical faculty salaries, and administrators' and executive salaries. The last three of these additions to the annual reports were all requested by the Office of the Legislative Analyst: community college and medical faculty salaries in 1979, and administrators' salaries at the University of California and California State University in 1982. However in 1990, the Legislative Analyst determined that the study of medical faculty salaries was no longer necessary, medical faculty salary data have not been reported since that year.

Much of the supplemental economic and compensation data provided throughout the 1970s and into the early 1980s was developed because of the unique inflationary pressures -- resulting primarily from the OPEC oil shocks -- present at that time. Much of the evidence presented later in this part of the report indicates clearly that higher education faculty nationally were suffering through a significant erosion in purchasing power. Since faculty salaries in California are based primarily on interinstitutional comparisons, faculty at the University of California and the California State University inevitably experienced an economic erosion comparable to that endured by university faculty nationally. That erosion made it increasingly difficult to recruit the most talented teachers and researchers, especially in competition with the substantially higher salaries generally available in business and industry. The evidence presented by the Commission in those reports prompted several Legislative decisions, among them the creation of enhanced salary schedules for faculty in business and engineering in both of the four-year systems, the adoption of a "margin of excellence" or "competitive edge," a percentage enhancement over the comparison institution party figure for University of California faculty, and improvements in the comparison institution list for the California State University.

To discuss changes in the faculty salary methodology, the Commission has periodically convened an advisory committee consisting of representatives from the University of California, the California State University, the Department of Finance, the Office of the Legislative Analyst, and other interested parties (e.g. union representatives, industry consultants) to review the methodology under which the salary reports are prepared each year. In general, community college representatives have not attended, since salaries in that system are determined locally. In 1984, the committee's deliberations led to a number of substantive revisions that were approved by the Commission the following year (1985). Among the more significant of those changes were those to create a new list of comparison institutions for the State University, produce only a single report rather than a preliminary and a final report, and provide University of California medical faculty salary information biennially rather than annually.

Eight years ago, due primarily to issues of confidentiality and technical difficulties in collecting data in a timely fashion, the advisory committee met to consider changes in the methodology. The committee suggested several revisions to the methodology at that meeting to address those issues. The Commission acted on those recommendations at its June 1987 meeting (1987).

At that time, the University of California agreed to continue to use the eight comparison institutions it had used for the past 16 years. After further analyzing salary trends at these eight institutions later in the summer, however, the University determined that the economic situation, especially in the midwest, had adversely affected at least one of its comparison institutions (the University of Wisconsin, Madison), and quite probably another (Cornell), causing only marginal increases in its faculty salaries in contrast to increases elsewhere. This erosion had been evident for some years, but since the Legislature had agreed to grant University faculty the "margin of excellence" noted above -- an amount between 3 and 3½ percent above the parity figure -- the comparison institution issue did not seem too serious. Clearly, however, this was not an altogether satisfactory solution to the problem of inadequate salaries, if for no other reason than the fact that it produced a somewhat cluttered methodology. There was also no guarantee that the Legislature would continue to grant the additional percentage amount.

As a result of these considerations, the University requested the Commission to approve the substitution of the University of Virginia for the University of Wisconsin and the Massachusetts Institute of Technology for Cornell University "in the best interest of the University and the State." As part of this proposal, it agreed to abandon requests in 1988-89 and subsequent fiscal years for any funds beyond the parity figure, noting that the traditional methodology of projected lag to parity would be sufficient, given the new comparison group. The Commission approved this change in the University's comparison institution group at its February 1988 meeting.

Six years ago, the Commission again considered changes in its methodology when it responded to Supplemental Budget Language to the 1988-89 Budget Act that directed it to convene its salary methodology advisory committee in order to evaluate whether the estimated average salaries at the State University's comparison institutions should be adjusted for the full effect, rather than the existing partial effect, of law school faculty among its comparison institution group. The Commission was also directed to determine the appropriateness of retaining any effect of law school faculty employed by comparison institutions when computing a final State University faculty salary parity figure, and to provide a justification for it.

In June 1989, the Commission adopted the recommendation of its advisory committee that for purposes of reporting comparable "academic" salary information for both the State University and its comparison institutions, all law faculty should be removed from the methodology used for computing the State University's parity figure during the 1991-92 budget cycle -- the year in which the collective bargaining agreement between the faculty and the administration expired. This year's report continues to reflect the exclusion of comparison-institution law faculty.

In removing comparison-institution law faculty, however, it was clear that the State University's competitiveness in the marketplace would be undermined in that its instructional budget in the 1989-90 budget year would be reduced by approximately \$7.5 million because of a reduction in the calculation of its parity

figure Recognizing the dangers implicit in this reduction -- especially its impact on the recruitment and retention of faculty -- the Commission considered a modest change in the State University's group of comparison institutions in order to recover approximately one-half of the estimated revenue loss attributed to the removal of comparison institution law faculty In September 1989, the Commission called for deleting three existing comparison institutions -- Virginia Polytechnic Institute, the University of Bridgeport, and Mankato State University -- and replacing them with three new institutions -- the University of Connecticut, George Mason University, and Illinois State University This year's report continues to reflect that change in the comparison institution list

Appendix C House Resolution No. 250, 1964 First Extraordinary Session

House Resolution No. 250, 1964 First Extraordinary Session, Relative to the Economic Welfare of the Faculties of the California Public institutions of Higher Education

WHEREAS, The Master Plan for Public Higher Education strongly recommended that every effort be made to ensure that the institutions of higher education in California maintain or improve their position in the intense competition for the highest quality of faculty members; and

WHEREAS, The Coordinating Council for Higher Education in its annual report to the Governor and the Legislature regarding level of support for the California State Colleges and the University of California recommended that funds should be provided to permit at least an additional 5 percent increase in academic salaries for the California State Colleges and the University of California; and

WHEREAS, The Trustees of the California State Colleges in their annual report to the Legislature declared that the California State Colleges are falling far behind in the face of this competition and that by 1964-65 faculty salaries will be lagging 14 to 18 percent behind those of comparable institutions; and

WHEREAS, Greatly increasing enrollments in institutions of higher education in California during the next decade will cause a demand for qualified faculty members which cannot possibly be met unless such institutions have a recruitment climate which will compare favorably with other colleges, universities, and business institutions, industry, and other levels of government; and

WHEREAS, California has achieved an enviable momentum in business and industrial development, a momentum now threatened by lagging faculty salaries so that failure to maintain adequate salary scales for faculty members in California institutions of higher education would be false economy; and

WHEREAS, There have been widespread reports from the State College and University campuses that higher salaries elsewhere are attracting some of the best faculty members from the California institutions of higher education, and if such academic emigration gains momentum because of inadequate salaries, the effect will disrupt the educational processes and result in slower economic growth, followed by lower tax revenues; and

WHEREAS, The Legislature has a continuing interest in the difficult and pressing problems faced by the California institutions of higher education in attracting and maintaining outstanding faculty members in a period of stiff competition and rapid growth; and

WHEREAS, The State's investment in superior teaching talent has been reflected in California's phenomenal economic growth and has shown California taxpayers to be the wisest of public investors, but unless the superiority in faculty quality is maintained, the contributions by the California institutions of higher education to the continued

economic and cultural development of California may be seriously threatened; now, therefore, be it

Resolved by Assembly of the State of California, That the Assembly Committee on Rules is directed to request the Joint Legislative Budget Committee to study the subject of salaries and the general economic welfare, including fringe benefits, of faculty members of the California institutions of higher education, and ways and means of improving such salaries and benefits in order that such California institutions of higher education may be able to compete for the talent necessary to provide the highest quality of education, and to request such committee to report its findings and recommendations to the Legislature not later than the fifth legislative day of the 1965 Regular Session.

**Appendix D The Legislative Analyst's 1965 Report on a Method
for Comparing Faculty Salaries and Benefits**

**A RECOMMENDED METHOD FOR REPORTING TO THE LEGISLATURE
ON FACULTY SALARIES AND OTHER BENEFITS
AT THE UNIVERSITY OF CALIFORNIA
AND THE CALIFORNIA STATE COLLEGES**

(Pursuant to HR 250, 1964 First Extraordinary Session)

**Prepared by the Office of the Legislative Analyst
State of California**

January 4, 1965

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Introduction

The purpose of this staff report is to recommend a method for reporting to the Legislature on salaries, fringe benefits and other special economic benefits for faculties of the University of California and the California State Colleges. This report has been prepared by the Joint Legislative Budget Committee in response to House Resolution 250 (1964 First Extraordinary Session, Appendix 1)¹ which resolved:

That the Assembly Committee on Rules is directed to request the Joint Legislative Budget Committee to study the subject of salaries and the general economic welfare, including fringe benefits, of faculty members of the California institutions of higher education, and ways and means of improving such salaries and benefits in order that such California institutions of higher education, and ways and means of improving such salaries and benefits in order that such California institutions of higher education may be able to compare for the talent necessary to provide the highest quality of education, and to request such committee to report its findings and recommendations to the Legislature not later than the fifth legislative day of the 1965 Regular Session.

Staff of the Joint Legislative Budget Committee initiated its study by seeking information which would reflect the magnitude of California's long-range and immediate problems regarding the need to recruit and retain an adequate number of high quality faculty. While reviewing past reports presented to the Legislature as justification for salary increase recommendations by the Coordinating Council for Higher Education, the University of California and the California State Colleges, it became apparent that the first step in trying to improve faculty salaries and other benefits is to furnish the Legislature with comprehensive and consistent data which identify the nature and level of competitive benefits. The costs associated with recommendations, rated according to priority, should be included in proposals by the segments in order to aid the Legislature in determining how much to appropriate and the benefits which an appropriation will buy.

There has existed in the past a difference between what the institutions have recommended as the need for salary and benefit increases and what has finally been appropriated by the Legislature. There are two principal reasons for this difference which at times may be closely related: (1) The Legislature may disagree with what is

proposed as to need, or (2) there may not be enough funds to meet the need because of higher priorities in other areas of the budget.

These needs are very complex and, for example, include such factors as:

1. Disagreement with conclusions drawn from data submitted in justification of recommendations;
2. Lack of confidence in the quantity, quality, or type of data;
3. The failure of advocates to make points which are concise and clearly understandable;
4. The submission of conflicting data by legislative staff or the Department of Finance.

After careful consideration, it was determined that a special report should be made to the Budget Committee containing recommendations as to the kind of data the Legislature should be furnished for the purpose of considering salary and other benefit increases.

On August 5, 1964, a letter (Appendix 2) was sent from the Legislative Analyst to the Coordinating Council for Higher Education, the University of California, the California State Colleges, the Department of Finance, and various faculty organizations informing them that the Joint Legislative Budget Committee was planning to hold a public hearing in connection with HR 250 and asking for replies to a series of questions designed to gather background information about salary and fringe benefits data (Appendix 3, Copies of Replies Received). The primary purpose of the hearing was to provide the University of California, the California State Colleges, and interested groups the opportunity to indicate the basis on which salary and fringe benefits should be reported to the Legislature, including the kind of data to be compiled and who should compile and publish it (Appendix 4, Copies of Prepared Testimony Filed with the Joint Legislative Budget Committee at the October 15, 1964 Hearing). The contents of most of the prepared statements discussed problems and in some instances recommendations relating to faculty salaries and other benefits rather than the primary purpose of the hearing, but the testimony did serve to identify areas of concern. The hearing also established legislative interest in the subjects of faculty workload and sources of supplementary income.

The review of past faculty salary reports, the replies to the Legislative Analyst's letter of August 5, 1964, the oral and prepared statements received at the October 15, 1964, hearing of the Joint Legislative Budget Committee and other sources have revealed significant find-

¹ This and other appendices deleted.

ings and permitted the development of recommendations concerning the type of information and method of presentation that should be included in future faculty salary reports prepared for the Legislature

Background

Current procedures for review of faculty salary and other benefit increase proposals, starting with the presentation of recommendations by state colleges and University of California administrative officials to their respective governing boards, appear generally to be adequate, with minor reservations. The State College Trustees and the Regents of the University of California generally formulate their own proposals in December and forward them to the State Department of Finance for budget consideration. Concurrently the Coordinating Council for Higher Education also makes a report with recommendations which is made available to the State Department of Finance. The Governor and the Department of Finance consider these salary increase proposals in relation to the availability of funds and their own analysis of faculty salary needs and decide how much of an increase, if any, to include in the Governor's Budget. The Legislative Analyst in the Analysis of the Budget Bill provides analysis and recommendations as to the Governor's budget proposal.

When appropriate legislative committees hear the budget request for faculty salary increases they may be confronted with several recommendations from various sources. Their first responsibility is to consider the Governor's recommendations in the Budget Bill. However, the University and the State Colleges generally request the opportunity to present their own recommendations, which frequently differ from the Governor's proposal. Also, the Coordinating Council for Higher Education presents its recommendations. Various faculty organizations may desire to make independent proposals. The Legislature has been cooperative in providing all interested parties the opportunity to present their views, but these presentations have been marked by extreme variations in recommendations and in the data which support the requests.

Who should prepare faculty salary reports

There appears to be some difference of opinion concerning the purpose of faculty salary reports and recommendations prepared by the Coordinating Council for Higher Education. The University of California and the California State Colleges contend that they should make direct recommendations to the Governor and the Legislature and that the Coordinating Council recom-

mendations should be regarded as independent comments. Conversely, the Department of Finance and the Coordinating Council for Higher Education believe that salary reports and recommendations of the Coordinating Council should be the primary report submitted to the Department of Finance and the Governor to consider in preparing budget recommendations. The Department of Finance states that such a report should be regarded as similar in status to the annual salary report relating to civil service salaries prepared by the State Personnel Board for the Governor and the Legislature. It is our opinion that the Legislature should give specific and primary consideration to the recommendations in the Governor's Budget and to the annual faculty salary report of the Coordinating Council for Higher Education. However, any separate recommendations of the University of California and the California State Colleges should also be considered.

What faculty salary reports should contain

We do not believe that reporting required of the University, the California State Colleges, and the Coordinating Council of Higher Education should limit the right of these agencies to emphasize specific points in supporting their own recommendations. However, the Legislature should take steps to establish a consistent basis upon which it will receive comprehensive information about faculty salaries, other benefits, and related subjects from year to year. After careful consideration of the statistical and other grounds presented in support of salary and other benefit increase proposals in the past, we recommend that basic data be included in faculty salary reports to the Legislature in a consistent form in the following areas

- A. Faculty Data
- B. Salary Data
- C. Fringe Benefits
- D. Total Compensation
- E. Special Privileges and Benefits
- F. Supplementary Income

Since it is necessary for staff of the executive and legislative branches of government to analyze recommendations prior to the commencement of a legislative session, all reports and recommendations should be completed by December 1 of each year

A. Faculty Data

1 Findings

- a. Informative data about the size, composition, retention, and recruitment of California State

College faculty has been presented to the Legislature from time to time, but usually it has been so selective that it lacks objectivity and has been inconsistent from year to year.

- b. Superior faculty performance has not been demonstrated as a reason to justify past requests for superior salaries.

2. Recommendations

The following data should be compiled and presented annually on a consistent basis. Definitions of what constitutes faculty are left to the discretion of the University and the state colleges but should be clearly defined in any report. Additional data may be included in any given year to emphasize special problems, but such data should supplement not replace the basic information recommended below. Graphs should be used when practical, accompanied by supporting tables in an appendix. Recommended faculty data includes:

- a. The number of faculty, by rank and the increase over the previous five years to reflect institutional growth.
- b. Current faculty composition expressed in meaningful terms, including but not limited to the percentage of the faculty who have Ph.D.'s.
- c. Student-faculty ratios as a means of expressing performance.
- d. Data relating to all new full-time faculty for the current academic year including the number hired, source of employment, their rank and highest degree held. Existing vacancies should also be noted. Pertinent historical trends in these data should be analyzed. We do not believe that subjective and incomplete data estimating reasons for turning down offers, such as has been presented in the past, serves any useful purpose.
- e. Faculty turnover rates comparing the number of separations to total faculty according to the following suggested categories: death or retirement, to research or graduate work, intra-institutional transfers, other college or University teaching, business and government, other.

3. Comments

The first three recommendations above are designed to reflect faculty size, composition, rate of growth, and workload. The inclusion of consistent data from year to year will facilitate trend analysis as it relates to the institutions involved and, when possible, to comparable institutions.

The purpose of including data on new faculty and faculty turnover is to provide a quantitative base for discussions of problems relating to faculty recruitment and retention. It may also be beneficial to include some basic statistics about the available supply of faculty to see what proportion of the market, new Ph.D.'s for example, California institutions hire every year.

B. Salary Data

1. Findings

- a. The University for several years has exchanged salary data to provide a consistent comparison with a special group of five "eminent" universities, as well as with a group of nine public universities. Conversely, the California State Colleges have not yet established a list of comparable institutions which is acceptable to them.
- b. Both the University of California and the Coordinating Council for Higher Education maintain that salary comparisons to appropriate institutions is the best single method of determining salary needs.
- c. The University of California places less significance on salary comparisons with non-academic employment than the Coordinating Council on Higher Education and the California State Colleges.
- d. Salary increases have been proposed on the basis of differentials between total compensation (salaries plus fringe benefits) in comparable institutions.
- e. Both the University and the California State Colleges have tended to relate the size of proposed salary increases to how much of an increase would be necessary to return to a specific competitive position which existed in 1957-58 and which was unusually advantageous.
- f. Salary comparisons have frequently been made to various levels of teaching including elementary, high school, and junior college salaries.
- g. Methods of salary comparisons with other institutions have varied from year to year in reports prepared by the state colleges.

2. Recommendations

- a. We recommend that proposed faculty salary increases distinguish between (1) increases necessary to maintain the current competitive position, and (2) increases to improve the current competitive position.

- (1) Proposed increases to maintain the existing competitive position should be equivalent to a projection of the average salary relationship between the University, or state colleges, and comparable institutions during the current fiscal year to the next fiscal year. We recommend that this projection be based on a projection of actual salary increases by rank in comparable institutions during the past five years, permitting statistical adjustments for unusual circumstances. Thus the proposed increase to maintain the existing competitive position would, in effect, be equal to the average of annual salary increases in comparable institutions during the current fiscal year to the next fiscal year. We recommend that this projection of actual salary increases by rank in comparable institutions during the past five years, permitting statistical adjustments for unusual circumstances. Thus the proposed increase to maintain the existing competitive position would, in effect, be equal to the average of annual salary increases in comparable institutions during the past five years. A record of the accuracy of projections should be maintained in an appendix.
 - (2) Recommendations to improve the current competitive positions should be related to the additional advantages to be derived.
- b. It is also recommended that the California State College Trustees select a list of comparable institutions within the next year and that agreements be negotiated to exchange salary data in a form which will facilitate comparisons. A list of the criteria used to select comparable institutions, plus characteristics of the institutions selected, should be included in next year's report.
- c. Specific proposals for salary increases should be accompanied by comparisons of current salary amounts and historic trends to comparable institutions. The following general principles are considered to be important:
- (1) Salary data should be separated from fringe benefit and special benefit data for purposes of reporting salary comparisons
 - (2) A consistent form should be used from year to year to present salary data. A suggested form might be to illustrate a five-year his-

toric trend in average salaries by using a line graph for each rank. An alternative might be a table which simply shows where California ranked among comparable institutions during the past five years.

The current salary position might best be illustrated by showing a list of average salaries of the California institutions and the other comparable institutions from rank for the last actual and current years. This will show the relative position of the California institution for the last actual and current years, as well as the range of averages. Frequency distributions of faculty by rank or professor should be incorporated in an appendix and any significant limitations in the use of averages between those particular institutions in a given year should be noted. For example, an unusual proportion of faculty in the high ranks or the low ranks would affect the comparability of the arithmetic means.

- (3) Special data to illustrate a particular problem in any given year would be appropriate as long as it supplements, rather than replaces, basic salary data.

d. Finally, it is recommended that salary data be reported in a form by rank which compensates for differences in faculty distributions.

C. Fringe Benefits

1. Findings

- a. The definition of fringe benefits generally includes benefits available to all faculty that have a dollar cost to the employer. Benefits and services in kind are considered to be fringe benefits only if a cash payment option is available. Retirement and health insurance, by definition, are the only two programs considered as fringe benefits by the University of California and the California State Colleges.
- b. Comparisons of fringe benefits, when comparisons have been made at all, have generally been limited to the dollar contribution by the employer and have not included any analysis of the quality of the benefits to the employee.

2. Recommendations

- a. It is recommended that fringe benefit comparisons of type of benefit be included in faculty salary reports, but compared separately from sala-

ries. Such comparisons should include an analysis of the quality of the benefits as well as the dollar cost to the employer.

- b. Proposals to increase specific fringe benefits should be made separately from salaries, including separate cost estimates.

3. Comments

Separate proposals for increases in salaries and fringe benefits should be made to minimize misunderstandings about competitive positions. For example, information submitted to the 1963 Legislature by the University of California, in support of proposed salary increases for 1963-64, compared total compensation data (salaries plus fringe benefits) rather than salaries alone. This report stated in part: "In comparing salaries, fringe benefits must be taken into account. Salary comparisons between the University and other institutions based on salary alone look far more favorable than comparisons of salaries plus benefits." The least favorable comparison was with fringe benefits, not salaries, thus the report recommended a salary increase largely on the basis of a difference in fringe benefits. Although it is felt that comparisons of total compensation are appropriate inclusions in a faculty salary report, since data should only be in addition to rather than in place of separate analyses of the current competitive position in salaries and fringe benefits.

D. Total Compensation

1 Findings

- a. Total compensation data consists of average salaries plus a dollar amount representing the employer's cost of fringe benefits.
- b. The Coordinating Council for Higher Education, the University of California and the California State Colleges have in the past all used total compensation data prepared and published by the American Association of University Professors in their respective faculty salary reports.

2. Recommendations

We recommend that total compensation data, as reported by the American Association of University Professors, be included in faculty salary reports as a supplement to separate salary and fringe benefit information.

E. Special Privileges and Benefits

1 Findings

There are other faculty privileges and economic benefits because they may not be available to all faculty or fit the definition of a fringe benefit in some other respect. Examples at the University of California include up to one-half the cost of moving expenses, vacations for 11-month appointees, the waiving of nonresident tuition for faculty children, sabbatical leaves with pay, and other special and sick leaves with or without pay.

2. Recommendations

It is recommended that a list of special privileges and benefits be defined and summaries of related policies be included in a special section in future faculty salary reports so that the Legislature will be aware of what these privileges and benefits include.

3 Comments

The expansion or establishment of some of these special privileges and benefits could improve recruiting success more than the expenditure of comparable amounts in salaries. For example, moving expenses are not currently offered by the state colleges but some allowance might make the difference of whether a young candidate from the East could accept an appointment. If this type of benefit is proposed, it must include adequate controls.

F. Supplementary Income

1 Findings

- a. The multiple loyalties created by permitting faculty to supplement their salaries by earning extra income from various sources within and outside this college or University is recognized as a problem common to institutions of higher education throughout the United States.
- b. There apparently are proportionately more private consulting opportunities in California than in other areas of the nation. For example, 51 percent of the federal research defense contracts were concentrated in California during 1963-64.
- c. The University of California has general policies designed to insure that outside activities do not interfere with University responsibilities. If outside activities interfere with University responsibilities, the faculty member generally must take a leave of absence without pay until such outside activities are completed. These and other related University policies were praised in a 1956 Carnegie-financed study, titled University Fac-

ulty Compensation Policies and Practices.

- d. The Coordinating Council for Higher Education submitted excerpts from nationwide studies relating to the magnitude of outside activities. We have no way of determining how the data may relate to California, but if the figures are reasonable, then it appears that probably a large percentage of faculty have at least one source of extra income. Sources of income were reported as follows

Source	Percent of Faculty Earning Additional Income from Sources
Lecturing	31%
General Writing	28
Summer and Extension Teaching	25
Government Consulting	18
Textbook Writing	18
Private Consulting	12
Public Service and Foundation Consulting	9
Other Professional Activities	10

Source: University Faculty Compensation Policies and Practices in the U.S., Association of American Universities, University of Illinois Press, Urbana, 1956.

- e. The United State Office of Education has just completed a nationwide sample survey of outside earnings of college faculty for 1961-62. Although data has not been published yet, special permission has been received to report the following results which are quoted from a letter sent to the Legislative Analyst on December 8, 1964, from the start of the California State College Trustees:

Outside Earnings of Teaching Faculty on Academic Year Contracts (9-10 Months)

The U.S. Office of Education has just completed a nationwide survey of outside earnings by a sampling of all college faculty nationwide for 1961-62. The results are as follows.

	Percent	Average Earnings
All with outside earnings	74	\$2,200
Summer Teaching	44	1,300
Other Summer Employment	11	1,800
Other Teaching	12	900
Royalties	8	1,200
Speeches	9	200
Consultant Fees	12	1,400

Retirement (Individuals who have retired who teach elsewhere after retiring)	1	3,400
Research	7	1,800
Other Professional Earnings	10	1,200
Non-Professional Earnings	8	1,700

The highest average earnings by teaching field and the percentage with outside earnings are:

	Percent	Average Earnings
Law (which we do not have)	78	\$3,300
Engineering	82	3,200
Business and Commerce	78	2,900
Physical Sciences	80	2,900
Agriculture	71	2,800
Psychology	85	2,700

In light of the Joint Committee discussion you might be interested in the following:

	Percent	Average Earnings
Social Sciences	74	\$1,900
Fine Arts	74	1,600
Philosophy	74	1,300
Religion and Theology	78	1,300

2. Recommendations

- a. We recommend that the Coordinating Council for Higher Education, the University of California, and the California State Colleges cooperate in determining the extent to which faculty members participate in extra activities to supplement their nine-month salaries including information as to when extra activities are usually performed (such as vacations, etc.) Such activities would include, but not be limited to, lecturing, general writing, summer and extension teaching, government consulting, textbook writing, private consulting, public service and foundation consulting, and other professional activities. If such a study suggests that the magnitude of these activities is such that the performance of normal University and state college responsibilities are perhaps being adversely affected, then consideration should be given to the possibility of maintaining more complete and meaningful records. Such records would aid administrative officials and academic senates when reviewing recommendations for promotions and salary increases and provide summary data for reporting to the Legislature on these significant

faculty welfare items. Next year's faculty salary report of the Coordinating Council for Higher Education should incorporate the results of this study.

- b. We also recommended that existing state college policies and enforcement practices regarding extra employment be reviewed and updated.
- c. Finally, it is recommended that faculty salary reports keep the Legislature informed about policies and practices relating to extra employment.

3. Comments

In our opinion, it would seem that any extra employment would affect the quality of performance of University responsibilities since faculty surveys indicate that the average faculty workweek is 54 hours. The time spent on activities for extra compensation (except during the summer) would be

on top of what the faculty has defined as their average workweek. Because, in some instances, it is difficult to determine whether a given income-producing activity, such as writing a book, is considered a normal University responsibility or an extra activity, distinctions between normal and extra activities need to be more clearly defined.

Much of the outside compensation received by faculty comes in the form of grants made directly to the faculty member rather than through the University of colleges. There is no regular reporting of these grants or the personal compensation which they provide to faculty, and the colleges and University do not consider the reporting of such income to be feasible. It may be desirable to encourage the Congress to direct that greater number of grants made by United States agencies for research be made directly to academic institutions

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-- *Faculty Salary Revisions: A Revision of the Commission's 1985 Methodology for Preparing Its Annual Reports on Faculty and Administrative Salaries and Fringe Benefits.* Commission Report 87-27 Sacramento The Commission, June 1987

-- *Changes in Faculty Salary Methodology.* Commission Agenda Item, February 8, 1988

-- *Revisions to the Commission's Faculty Salary Methodology for the California State University.* Commission Report 89-22 Sacramento The Commission, June 1989a

-- "Changes in the Faculty Salary Methodology " Consent Item 2, September 18, 1989b

CALIFORNIA POSTSECONDARY EDUCATION COMMISSION

THE California Postsecondary Education Commission is a citizen board established in 1974 by the Legislature and Governor to coordinate the efforts of California's colleges and universities and to provide independent, non-partisan policy analysis and recommendations to the Governor and Legislature

Members of the Commission

The Commission consists of 17 members. Nine represent the general public, with three each appointed for six-year terms by the Governor, the Senate Rules Committee, and the Speaker of the Assembly. Six others represent the major segments of postsecondary education in California. Two student members are appointed by the Governor.

As of April 1995, the Commissioners representing the general public are

Henry Der, San Francisco, *Chair*
Guillermo Rodriguez, Jr., San Francisco, *Vice Chair*
Elaine Alquist, Santa Clara
Mun Andelson, Los Angeles
C. Thomas Dean, Long Beach
Jeffrey I. Marston, San Diego
Melinda G. Wilson, Torrance
Linda J. Wong, Los Angeles
Ellen F. Wright, Saratoga

Representatives of the segments are

Roy T. Brophy, Fair Oaks, appointed by the Regents of the University of California,
Yvonne W. Larsen, San Diego, appointed by the California State Board of Education,
Alice Petrossian, Glendale, appointed by the Board of Governors of the California Community Colleges,
Ted J. Saenger, San Francisco, appointed by the Trustees of the California State University,
Kyhl Smeby, Pasadena, appointed by the Governor to represent California's independent colleges and universities, and
Frank R. Martinez, San Luis Obispo, appointed by the Council for Private Postsecondary and Vocational Education

The two student representatives are
Stephen Leshner, Meadow Vista
Beverly A. Sandeen, Costa Mesa

Functions of the Commission

The Commission is charged by the Legislature and Governor to "assure the effective utilization of public postsecondary education resources, thereby eliminating waste and unnecessary duplication, and to promote diversity, innovation, and responsiveness to student and societal needs."

To this end, the Commission conducts independent reviews of matters affecting the 2,600 institutions of postsecondary education in California, including community colleges, four-year colleges, universities, and professional and occupational schools.

As an advisory body to the Legislature and Governor, the Commission does not govern or administer any institutions, nor does it approve, authorize, or accredit any of them. Instead, it performs its specific duties of planning, evaluation, and coordination by cooperating with other State agencies and non-governmental groups that perform those other governing, administrative, and assessment functions.

Operation of the Commission

The Commission holds regular meetings throughout the year at which it debates and takes action on staff studies and takes positions on proposed legislation affecting education beyond the high school in California. By law, its meetings are open to the public. Requests to speak at a meeting may be made by writing the Commission in advance or by submitting a request before the start of the meeting.

The Commission's day-to-day work is carried out by its staff in Sacramento, under the guidance of its executive director, Warren Halsey Fox, Ph.D., who is appointed by the Commission.

Further information about the Commission and its publications may be obtained from the Commission offices at 1303 J Street, Suite 500, Sacramento, California 95814-2938, telephone (916) 445-7933.

FACULTY SALARIES IN CALIFORNIA'S PUBLIC UNIVERSITIES, 1995-96: A Report to the Legislature and the Governor in Response to Senate Concurrent Resolution No. 51 (1965) Commission Report 95-4



ONE of a series of reports published by the California Postsecondary Education Commission as part of its planning and coordinating responsibilities. Single copies may be obtained without charge from the Commission at 1303 J Street, Suite 500, Sacramento, California 95814-2938. Recent reports include

- 94-13 *Faculty Salaries in California's Community Colleges, 1993-94: A Report to the Legislature and Governor in Response to Supplemental Language for the 1979 Budget Act* (August 1994)
- 94-14 *Executive Compensation in California Public Higher Education, 1993-94: The Second in a Series of Annual Reports to the Governor and Legislature in Response to the 1992 Budget Act* (August 1994)
- 94-15 *Comments at Public Forums Regarding the Commission's State Postsecondary Review Entity (SPRE) Program and Its Draft Standards, with Staff Responses: A Staff Report to the Commission's Ad Hoc Committee on Federal Programs* (October 1994)
- 94-16 *State Postsecondary Review Entity (SPRE) Standards, as Submitted to the Office of Administrative Law and the United States Secretary of Education* (October 1994)
- 94-17 *Fiscal Profiles, 1994: The Fourth in a Series of Factbooks About the Financing of California Higher Education* (October 1994)
- 94-18 *Proposed Construction of the Palmdale Center of the Antelope Valley Community College District: A Report to the Governor and Legislature in Response to a Request from the Board of Governors of the California Community Colleges* (October 1994)
- 94-19 *The Performance of California Higher Education, 1994: The First Annual Report to California's Governor, Legislature, and Citizens in Response to Assembly Bill 1808 (Chapter 741, Statutes of 1991)* (December 1994)
- 94-20 *Student Profiles, 1994: The Latest in a Series of Annual Factbooks About Student Participation in California Higher Education* (December 1994)

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- 95-1 *A New State Policy on Community College Student Charges* (February 1995)
- 95-2 *The WICHE Compact: An Assessment of California's Continued Membership in the Western Interstate Commission for Higher Education* (February 1995)
- 95-3 *The Challenge of the Century: Planning for Record Student Enrollment and Improved Outcomes in California Postsecondary Education* (April 1995)
- 95-4 *Faculty Salaries in California's Public Universities, 1995-96: A Report to the Legislature and the Governor in Response to Senate Concurrent Resolution No. 51* (April 1995)
- 95-5 *Legislative and State Budget Priorities of the Commission, 1995: A Report of the California Postsecondary Education Commission* (April 1995)